

Message Text

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ACTION EB-07

INFO OCT-01 NEA-09 ISO-00 SP-02 AID-05 NSC-05 CIEP-01

TRSE-00 SS-15 STR-04 OMB-01 CEA-01 L-02 COME-00 FRB-03

XMB-02 CIAE-00 INR-07 NSAE-00 PA-01 PRS-01 USIA-06

/073 W

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R 010610Z MAY 75

FM AMEMBASSY DACCA

TO SECSTATE WASHDC 6579

INFO AMEMBASSY ISLAMABAD

LIMITED OFFICIAL USE DACCA 2125

E.O. 11652: N/A

TAGS: EFIN, EXIM, BG, PK

SUBJECT: EXIMBANK AND PAKISTAN/BANGLADESH DEBT DIVISION

REF: (A) ISLAMABAD 3600; (B) STATE 98714

1. ECON COUNSELOR CALLED APRIL 30 ON PLANNING
COMMISSION JOINT SECRETARY (ECONOMIC RESOURCES DIVI-
SION) MASUD AHMED AND:

(A) ADVISED HIM, PER PARA 5 REFTTEL (B), OF EXIMBANK
DESIRE TO NEGOTIATE DEBT ISSUE AND RESOLVE IT PROMPTLY,
HOPEFULLY BEFORE JUNE 4-5 BANGLADESH AID GROUP MEETING;
(B) ARRANGED, PER PARA 6 REFTTEL (B), TO SEEK DETAILED
INFORMATION FROM THE BANGLADESH SHILPA SANGSTHA
BANK (BSRSB) OUTSTANDING BALANCES OF SUB-LOANS OF THREE
RELENDING CREDITS DISBURSED IN BANGLADESH. EMBOFFS
EXPECT MEET WITH BSRSB OFFICIAL MAY 5.)

2. IN COURSE DISCUSSION, MASUD AHMED:

(A) RECALLED THAT DISCUSSION EXIM LOANS ALREADY WELL
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ADVANCED WHEN BROKEN OFF PREVIOUSLY;

(B) FORESAW "NO PROBLEM" IN FORMAL BDG ACCEPTANCE OF LIABILITY OF JULY, 1974 OUTSTANDING BALANCE ON DACCA HOTEL CREDIT;

(C) ASKED EMBASSY TO "DOUBLE-CHECK" THAT DOLS 1.9 MILLION WAS, IN FACT, BALANCE ON DACCA HOTEL LOAN AS OF JULY 1, 1974 AND ALSO TO INFORM HIM OF THE TOTAL AMOUNT ORIGINALLY DISBURSED;

(D) NOTED THAT BANGLADESH EMBASSY IN WASHINGTON MIGHT WELL BE EMPOWERED "SIGN AGREEMENT" WITH EXIM BANK, BUT THAT FACTUAL INFORMATION WAS AVAILABLE, AND DECISIONS ON MATTER POSSIBLE, ONLY IN DACCA;

(E) RECALLED THAT IN CASE OF AID LOAN BDG, HAD, AFTER EXAMINATION OF AVAILABLE RECORDS, ACCEPTED LIABILITY FOR SOME DOLS 2 MILLION REPRESENTING DIFFERENCE BETWEEN USAID AND BDG CALCULATION, AND IMPLIED BDG WILLINGNESS SIMILARLY TO ACCEPT LIABILITY FOR RELATIVELY MINOR DIFFERENCES IN CASE EXIM BANK; AND

(F) MADE TWO POINTS IN CASE OF IDBP RELENDING CREDITS, VIZ: (I) REPAYMENTS TO IDBP FROM THEN EAST PAKISTAN FIRMS WOULD HAVE BEEN ON HARDER TERMS THAN IDBP LOAN FROM EXIM BANK AND TO EXTEND EAST PAKISTANI FIRMS' REPAYMENTS TO IDBP MAY HAVE EXCEEDED IDBP REPAYMENTS TO EXIM BANK, BDG WOULD NOT RPT NOT ACCEPT LIABILITY FOR FULLY AMOUNT OWED EXIM BANK; (II) BDG HAD EXPRESSED HOPE THET DONORS WOULD REDUCE LIABILITY FOR PROJECTS DAMAGED DURING WAR, BY AMOUNT OF DAMAGE.

3. AHMED ACCEHTED REPAYMENT TERMS PER PARA 3 REFTEL (B), SUBJECT TO PROVISIO IN PARA - (F)(I) ABOVE.

4. COMMENT: AHMED GAVE EMBOFF STRONG IMPRESSION OF WILLINGNESS MOVE QUICKLY AND WITH SOME FLEXIBILITY TO RESOLVE OUTSTANDING QUESTIONS OF FACT ON EXIM LOANS.

5. REQUEST: ACCORDING PARA 4, STATE 99061, BDG MAY LIMITED OFFICIAL USE

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BE APPROACHING EXIM FOR LOAN TO FINANCE TWO BOEING 707S. PLEASE KEEP US INFORMED IF AND WHEN ANY SUCH APPROACH IS MADE.
BOSTER

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Message Attributes

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